

AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

(dollars in millions)

	2000 <u>Actual</u>	2001 <u>Enacted</u>	2002 <u>Request</u>	Request <u>+/-Enacted</u>
Program Level.....	\$204	\$270	\$306	+\$36
FTE.....	266	294	294	0

SUMMARY

The FY 2002 request for the Agency for Healthcare Research and Quality (AHRQ) provides a program level of \$306 million, an increase of \$36 million, or 13.5 percent over FY 2001. This growth rate reflects a major commitment to the improvement of the quality of patient care provided by the American health care system. In FY 2002, AHRQ will be fully funded through inter-agency transfers of evaluation funds. The budget will place a priority on:

- Improving cost effectiveness and quality of medical care;
- Reducing the number of medical errors and improving patient safety;
- Providing national reports required by Congress on quality and disparities in health care.

AHRQ conducts and sponsors health services research to inform decision-making and improve clinical care, and the organization and financing of health care. AHRQ supports the translation of research into measurable improvements in the care Americans receive. This work not only improves health care, but also contributes to obtaining better value for the Nation's health care spending. AHRQ accomplishes its mission through partnerships with other Federal agencies, academic institutions,

medical societies, managed care organizations, and health care payers.

The Agency supports research project grants and research contracts at colleges and universities to capitalize on the expertise of academic institutions. In addition, AHRQ has forged cooperative relationships with major health care organizations to ensure that research funded by the Agency is implemented by the major players in the health system.

HEALTH COSTS, QUALITY, AND OUTCOMES

The President's Budget will continue to support improvements through research on the cost effectiveness and quality of health care by providing a total of \$255 million, which is an increase of \$29 million above FY 2001.

Quality and Cost-Effectiveness: There continues to be a strong need to develop ways to measure and improve the quality and cost-effectiveness of care. AHRQ is also working to identify strategies that improve access and foster the appropriate use of health care, which includes reducing unnecessary expenditures. In FY 2002, the Agency for Healthcare Research and Quality will use an increase of \$26 million to support research needed to improve the quality and cost-effectiveness of care.

The Evidence-Based Practice Centers (EPCs) are among the most visible examples of AHRQ's work to implement the most

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effective medical practices. Each of the 12 EPCs has a five-year contract to review assigned specific topics in clinical care. Topics selected must be common, expensive, and significant for the Medicare and Medicaid populations.

Examples of recent topics include management of childhood ear infections, prostate cancer, and stable angina therapies.

AHRQ supports Translating Research Into Practice (TRIP) grants to move the results of research into daily practice. Areas of focus include preventive services for adolescents, improved treatment for stroke and diabetes, and pain management.

Patient Safety: In FY 2002, an increase of \$3 million over FY 2001, for a total of \$53 million, is dedicated to patient safety research. This major research effort will develop and test new technologies to reduce errors, research the causes of medical errors, provide training, and test reporting strategies through large demonstrations in States to provide information for further research and improvements.

AHRQ, the Centers for Disease Control and Prevention, the Food and Drug Administration, and the Health Care Financing Administration are working collaboratively to develop a common interface for medical providers that will both enhance the usefulness of adverse event information and reduce reporting burden for their partners in the health care community.

MEDICAL EXPENDITURE PANEL SURVEYS

The President's Budget provides \$49 million, an increase of \$8 million for the Medical Expenditure Panel Surveys (MEPS). MEPS are the collection of detailed, national data on the health care services Americans use, how much they cost, and who pays.

Enhancements in MEPS will lead to a better understanding of the quality of care the average health care consumer receives, and of disparities in the care delivered. MEPS data is critical for tracking the impact of Federal and State programs on care, including the State Children's Health Insurance Program (SCHIP), Medicare and Medicaid.

National Reports on Quality and Disparities in Health Care: Much of the increase in MEPS will support two new reports required by AHRQ's 1999 reauthorization. The first report, anticipated in FY 2003, is on national trends in the quality of the Nation's health care. This report will include information on patient assessment of health care quality, clinical quality measures of common health care services, and performance measures related to outcomes of acute and chronic disease.

AHRQ's reauthorization also calls for a report on populations that are at high risk for disparities in care. These populations include the elderly, inner-city and rural areas, women, children, minorities, low-income groups, and individuals with special health care needs.

To complete the reports, AHRQ will supplement the data collected through MEPS with other data-collection efforts at the Agency, and non Federal data sources. These additional sources of data are supported by the increase for research on health costs, quality and outcomes.

ANRQ OVERVIEW

(dollars in millions)

	2000 <u>Actual</u>	2001 <u>Enacted</u>	2002 <u>Request</u>	Request <u>+/-Enacted</u>
Research on Health Costs, Quality and Outcomes.....	\$165	\$226	\$255	+\$29
Medical Expenditures Panel Surveys.....	36	41	49	+8
Program Support.....	<u>2</u>	<u>3</u>	<u>3</u>	<u>0</u>
Subtotal, Program Level.....	\$204	\$270	\$306	+\$36
Less Transfers: PHS Evaluation Funds.....	<u>89</u>	<u>165</u>	<u>306</u>	<u>+141</u>
Total, Budget Authority.....	\$115	\$105	\$0	-\$105
FTE.....	266	294	294	0